

COUNTY OF ROANOKE, VIRGINIA
Balance Sheet
Governmental Funds
June 30, 2005

	General	Debt Service	Capital Projects	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 5,999,986	\$ 220,151	\$ 10,589,892	\$ 16,810,029
Cash and investments with fiscal agents	-	-	22,296,412	22,296,412
Investments	12,181,790	-	19,034,211	31,216,001
Receivables	6,520,152	-	9,441	6,529,593
Due from other governments	4,122,331	-	265,474	4,387,805
Inventories	58,215	-	-	58,215
Total assets	\$ 28,882,474	\$ 220,151	\$ 52,195,430	\$ 81,298,055
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 2,308,188	\$ -	\$ 1,207,003	\$ 3,515,191
Accrued wages and benefits	1,432,522	-	6,660	1,439,182
Other liabilities	17,376	-	-	17,376
Unearned revenue	6,396,631	-	-	6,396,631
Interfund payable	-	-	1,932,830	1,932,830
Total liabilities	\$ 10,154,717	\$ -	\$ 3,146,493	\$ 13,301,210
Fund balances:				
Reserved for:				
Inventories	58,215	-	-	58,215
Encumbrances	324,778	-	25,183,472	25,508,250
Unreserved:				
Designated for:				
Subsequent year's budget	5,433,022	-	-	5,433,022
Capital projects	-	-	23,865,465	23,865,465
Undesignated	12,911,742	220,151	-	13,131,893
Total fund balances	\$ 18,727,757	\$ 220,151	\$ 49,048,937	\$ 67,996,845
Total liabilities and fund balances	\$ 28,882,474	\$ 220,151	\$ 52,195,430	\$ 81,298,055

See accompanying notes to basic financial statements.

COUNTY OF ROANOKE, VIRGINIA
Balance Sheet
Governmental Funds
June 30, 2005

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets

Total fund balances for governmental funds (Exhibit III)	\$ 67,996,845
--	---------------

Total net assets reported for governmental activities in the Statement of Net Assets is different because:

Capital assets used in governmental activities are not financial resources, and therefore are not reported in the funds. Those assets consist of:

Land and construction in progress	17,344,532	
Other capital assets, net of \$50,781,086 of accumulated depreciation	120,587,931	
Total capital assets, net		137,932,463

Internal service funds (Exhibit V) are used by the County to charge the cost of health, dental, and risk management to individual funds. These assets and liabilities of the internal service funds are included in the governmental activities in the statement of net assets. Internal service fund net assets are:

8,713,328

County revenues that are not available soon enough after year end to pay for current period expenditures, and therefore are reported as unearned revenues in the funds

990,540

Long-term assets and liabilities, related to bonds payable and accrued interest, are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds. Balances at June 30, 2005 are:

Prepaid, other and restricted assets	1,697,551	
Accrued interest on bonds	(2,112,765)	
Bonds payable, capital leases and landfill post closure costs	(127,115,909)	
Compensated absences	(2,861,940)	
Total long-term assets and liabilities		(130,393,063)

Total net assets of governmental activities (Exhibit I)	\$ 85,240,113
---	---------------

COUNTY OF ROANOKE, VIRGINIA
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2005

	General	Debt Service	Capital Projects	Total Governmental Funds
REVENUES				
General property taxes	\$ 81,447,134	\$ -	\$ -	\$ 81,447,134
Other local taxes	28,102,659	-	-	28,102,659
Permits, fees, and licenses	694,048	-	-	694,048
Fines and forfeitures	700,301	-	-	700,301
Use of money and property	975,591	-	388,891	1,364,482
Charges for services	3,376,174	-	-	3,376,174
Intergovernmental revenue	28,586,513	2,304,369	1,288,605	32,179,487
Miscellaneous	2,195,785	-	49,225	2,245,010
Total revenues	<u>\$ 146,078,205</u>	<u>\$ 2,304,369</u>	<u>\$ 1,726,721</u>	<u>\$ 150,109,295</u>
EXPENDITURES				
Current operating:				
General government	\$ 8,118,324	\$ -	\$ -	\$ 8,118,324
Judicial administration	1,992,798	-	-	1,992,798
Public safety	29,111,784	-	-	29,111,784
Public works	12,683,511	-	-	12,683,511
Library	2,374,123	-	-	2,374,123
Health and welfare	12,515,760	-	-	12,515,760
Parks, recreation, and culture	3,768,113	-	-	3,768,113
Community development	1,581,557	-	-	1,581,557
Education	55,218,562	-	-	55,218,562
Debt service:				
Principal	-	8,339,379	-	8,339,379
Interest and other charges	-	6,139,789	-	6,139,789
Capital outlay	-	-	17,697,921	17,697,921
Total expenditures	<u>\$ 127,364,532</u>	<u>\$ 14,479,168</u>	<u>\$ 17,697,921</u>	<u>\$ 159,541,621</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 18,713,673</u>	<u>\$ (12,174,799)</u>	<u>\$ (15,971,200)</u>	<u>\$ (9,432,326)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of land	-	-	25,945	25,945
Locality Compensation Payments	-	414,187	-	414,187
Transfers in	32,267	11,754,521	7,241,567	19,028,355
Transfers out	(19,479,870)	-	(32,267)	(19,512,137)
Total other financing sources(uses), net	<u>\$ (19,447,603)</u>	<u>\$ 12,168,708</u>	<u>\$ 7,235,245</u>	<u>\$ (43,650)</u>
Net change in fund balances	<u>\$ (733,930)</u>	<u>\$ (6,091)</u>	<u>\$ (8,735,955)</u>	<u>\$ (9,475,976)</u>
Fund balances at beginning of year	19,461,687	226,242	57,784,892	77,472,821
Fund balances at end of year	<u>\$ 18,727,757</u>	<u>\$ 220,151</u>	<u>\$ 49,048,937</u>	<u>\$ 67,996,845</u>

See accompanying notes to basic financial statements.

COUNTY OF ROANOKE, VIRGINIA
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2005

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities

Net change in fund balances-total governmental funds (Exhibit IV)	\$ (9,475,976)
---	----------------

Total change in net assets reported for governmental activities in the Statement of Activities is different due to:

Internal service funds (See Exhibit VI) are used by the County to charge the cost of health, dental, and risk management to individual funds. The change in net assets of internal service funds is reported with governmental activities.	981,674
--	---------

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds	157,551
--	---------

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the costs of these assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$17,334,809) exceeded depreciation (\$5,518,495) expense in the current period.	11,816,314
--	------------

Bond proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net assets, however issuing debt increased long-term liabilities and does not affect the change in net assets. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the Statement of Net Assets.

Repayments	8,339,379	
Locality Compensation Payment	(414,187)	
Net Adjustment		7,925,192

Long-term liability relieved for post closure landfill monitoring costs. The post closure liability is not recorded in the governmental funds.	50,000
--	--------

Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the Statement of Activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. This adjustment combines the net change of the following:

Compensated absences	(97,064)	
Accrued interest on bonds	157,226	
Combined Adjustment		60,162

Change in net assets of governmental activities (Exhibit II)	\$ 11,514,917
--	---------------

See accompanying notes to basic financial statements.

Exhibit V

COUNTY OF ROANOKE, VIRGINIA
Statement of Net Assets
Proprietary Funds
June 30, 2005

	Internal Service Funds
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 3,293,264
Investments	5,919,294
Accounts receivable	14,456
Interfund receivables	814,603
Total current assets	<u>\$ 10,041,617</u>
Noncurrent assets:	
Interfund receivable	1,118,227
Total noncurrent assets	<u>\$ 1,118,227</u>
Total assets	<u>\$ 11,159,844</u>
LIABILITIES	
Current liabilities:	
Accounts payable	\$ 189,298
Claims payable	1,073,080
Unearned revenue	448,567
Total current liabilities	<u>\$ 1,710,945</u>
Noncurrent liabilities:	
Claims payable	735,571
Total noncurrent liabilities	<u>\$ 735,571</u>
Total liabilities	<u>\$ 2,446,516</u>
NET ASSETS	
Unrestricted	\$ 8,713,328
Total net assets	<u><u>\$ 8,713,328</u></u>

See accompanying notes to basic financial statements.

Exhibit VI

**Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended June 30, 2005**

	Internal Service Funds
OPERATING REVENUES	
Charges for services	\$ 6,174,583
Miscellaneous	74,194
Total operating revenues	<u>\$ 6,248,777</u>
OPERATING EXPENSES	
Purchased services	409,136
Personal services	140,619
Claims	5,244,162
Administrative charges	68,494
Total operating expenses	<u>\$ 5,862,411</u>
Operating income	<u>\$ 386,366</u>
NONOPERATING REVENUES	
Investment income	\$ 111,526
Total nonoperating revenues	<u>\$ 111,526</u>
Income before transfers	497,892
Transfers in	483,782
Change in net assets	<u>\$ 981,674</u>
Total net assets at beginning of year	7,731,654
Total net assets at end of year	<u><u>\$ 8,713,328</u></u>

See accompanying notes to basic financial statements.

Exhibit VII

COUNTY OF ROANOKE, VIRGINIA
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2005

	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from interfund services provided	\$ 6,174,583
Payments to suppliers	(945,895)
Payments to employees	(140,619)
Claims paid	(5,131,641)
Other receipts	100,150
Net cash provided by operating activities	<u>\$ 56,578</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers from other funds	\$ 483,782
Interfund loans-proceeds and collections	(1,479,271)
Net cash used in noncapital financing activities	<u>\$ (995,489)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Decrease in investments	\$ 931,598
Interest and dividends	111,526
Net cash provided by investing activities	<u>\$ 1,043,124</u>
Net increase in cash and cash equivalents	104,213
Cash and cash equivalents at beginning of the year	<u>3,189,051</u>
Cash and cash equivalents at end of the year	<u><u>\$ 3,293,264</u></u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 386,366
Adjustments to reconcile operating income to net cash provided by operating activities:	
Change in assets and liabilities:	
Accounts receivable	26,726
Accounts payable	(468,265)
Claims payable	112,521
Unearned revenue	(770)
Net cash provided by operating activities	<u><u>\$ 56,578</u></u>

See accompanying notes to basic financial statements.

COUNTY OF ROANOKE, VIRGINIA
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2005

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	\$ 26,949,379
Investments	14,027,942
Total assets	<u><u>\$ 40,977,321</u></u>
LIABILITIES	
Accounts payable	\$ 40,977,321
Total liabilities	<u><u>\$ 40,977,321</u></u>

See accompanying notes to basic financial statements.